



Strength Through Science

Office of Worker and Community Transition

BACKGROUND



Site Closure Requires Creative Work Force Management

- ◆ We are developing programs that will encourage workers to remain at DOE sites for as long as their skills are required, and then separate voluntarily. Elements of the program include:
 - Work force planning that identifies how long employees will be needed
 - Career counseling to clarify post-DOE career objectives
 - Pre-separation training and education to prepare for the future
 - Placement assistance to find new employment
 - Preference-in-hiring at other DOE facilities
 - Adjusting benefits programs to eliminate incentives to separate before skill requirements have ended



Site Closure Requires Creative Work Force Management - Continued

- ◆ The goal is to allow workers to move directly to new employment from completion of their DOE tasks
- ◆ For small initial investments, the payoff will be smaller severance payments and the ability to fully utilize our skilled work force to achieve rapid site closure



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Work Force Retraining Helps Manage Restructuring



Work Force Restructuring Efforts at Fernald

Over a ten-year period, the work force at the Fernald site is expected to decrease from 2,000 to about 200. To date, more than half of the site's work force has participated in the tuition reimbursement program for variety of training including an apprenticeship program, a commercial driver's license program and a CSXT rail training program. The goal of the program has been to encourage current team members to obtain the skills they need to remain employed at Fernald for as long as possible while helping them prepare for their next careers.

Los Alamos: Successful Worker Training

Los Alamos National Laboratory has been a major employer in Northern New Mexico. Training programs have provided industry specific training for many displaced Laboratory workers. One employer able to use workers who received training is CleanAIR Systems. They have hired four key employees and plan to establish a new manufacturing plant in Northern New Mexico. This plant would add 200 jobs to the region and current market projections indicate the plant could expand to provide 1,000 jobs.





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Community Development Produces Jobs



Industrial Parks at Portsmouth

The Southern Ohio Diversification Initiative has used grants of \$7 million from the Department of Energy to stimulate private investment of almost \$60 million in two industrial parks. This investment has attracted such enterprises as a cabinet manufacturing facility and a paper company grading and merchandising facility. These and other efforts have produced 375 jobs and a total of 819 jobs are expected by 2003.

Raytheon Expansion Equals Jobs

Taking advantage of almost half of the total capacity at the Pinellas STAR center, a former Department of Energy defense plant, Raytheon Systems Company has established a communications assembly facility. This new facility will produce such items as equipment to allow military radar operators to differentiate between friendly or hostile aircraft and portable radios and communications systems. To complement the Department's investment, Raytheon has invested \$10 million in building modifications. This effort and others in progress at the STAR center have created more than 2,500 jobs by the end of FY 1999 and are expected to create about 400 more by the end of FY 2003.





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Reindustrialization Uses Potential of Facilities and Workers

Hanford: A Case for Conversion and Reuse

Hanford Site's "1100 Area" was transferred to the Port of Benton in September 1998. The 768 acres of land and 26 buildings in this area are in the process of being used or marketed to various businesses. The site has already attracted the Livingston Rebuild Center, a locomotive repair company, and other rail related businesses are expressing interest.



Reindustrialization of Oak Ridge

At the former K-25 site at Oak Ridge, the East Tennessee Technology Park (ETTP) has been developed to use the people, tools, and technologies formerly used for Department of Energy missions. All companies that locate at ETTP are required to give hiring preference to displaced workers and companies that create large numbers of well-paying jobs are granted reduced lease rates. The creative re-use of facilities is utilizing equipment from the former K-25 site including electron microscopes, metal working machinery, and other high-precision industrial equipment and the skills of former workers to develop new employment opportunities.



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Transferred Assets Create a Diversified Economy



Asset Reuse at Savannah River

In 1996, Savannah River Site sold two 75-ton presses used to make fuel rods to EFCO Corporation, a manufacturer of high-quality window systems for commercial buildings. EFCO used the presses at the center of their production process and invested \$19 million in Barnwell, SC, to build a manufacturing facility. The completed facility is expected to employ 1,300 people.

Equipment Transfer at Rocky Flats Aiding Local Economy

The Rocky Mountain Manufacturing Academy, started in 1994 as a part of the community transition efforts, received more than 300 pieces of excess manufacturing equipment from Rocky Flats. The Academy has become a national model of cooperation among the private sector, the community college system, and the state's graduate level engineering programs. The Academy has more than doubled its initial investment with contributions from government, philanthropic, and private sectors, to the benefit of the Rocky Flats communities.





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Rocky Flats

◆ Objective

- Complete site closure by FY 2006 instead of FY 2010
- Manage major shift in skills requirements during 2000-2001

◆ Strategy

- Manage employee retention and career transition

◆ Costs

- Up to \$5 million will be allocated to finance enhanced benefits designed to manage employee retention and transition between FY 2000 and closure

◆ Benefits

- The Department stands to save \$27 million for each month it can trim from its site closure schedule



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Mound

◆ Objective

- Complete site closure by FY 2004
- Reduce community's economic dependence on the DOE

◆ Strategies

- Transfer and reuse excess property and facilities
- Support local economic development
- Manage employee retention and career transition

◆ Costs

- Provide funding matched by the community for development of an advanced technology industrial park

◆ Benefits

- The Department stands to save \$12 million for each month it can trim from its site closure schedule



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Fernald

◆ Objectives

- Complete site closure by FY 2006 rather than FY 2015
- Reduce community's economic dependence on the DOE

◆ Strategies

- Manage employee retention and career transition
- Support local economic development

◆ Benefits

- The Department stands to save \$23 million for each month it can trim from its site closure schedule



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Oak Ridge

◆ Objectives

- Accelerate cleanup and closure of former gaseous diffusion plant
- Reduce community's economic dependence on the DOE
- Minimize disruption from M&I contract transition

◆ Strategies

- Transfer and reuse excess property and facilities
- Support local economic development
- Promote flexible use of skilled work force

◆ Benefits

- “Reindustrialization” can save the Department upwards of \$800 million if implementation continues as planned



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Portsmouth and Paducah

◆ Objectives

- Reduce communities' economic dependence on the DOE
- Minimize disruption from privatization of enrichment activities

◆ Strategies

- Support local economic development
- Transfer and reuse excess property and facilities
- Promote flexible use of skilled work force
- Manage employee transition to accelerated environmental cleanup activities

◆ Benefits

- Create opportunities for displaced employees, reduce severance costs by providing new employment opportunities and deepen partnerships with local communities



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Idaho

◆ Objectives

- Allow Naval fuel to be transported and stored in Idaho
- Reduce community's economic dependence on the DOE

◆ Strategies

- Implement legal settlement agreement
- Support local economic development

◆ Costs

- \$6 million per year through FY 2001

◆ Benefits

- Allows continued defueling and decommissioning of Naval nuclear vessels to meet arms control commitments and frees Naval shipyard facilities to meet ongoing maintenance requirements



Hanford

◆ Objectives

- Reduce the community's economic dependence on the DOE
- Minimize work force restructuring

◆ Strategies

- Support local economic development
- Transfer and reuse excess property and facilities
- Manage employee transition

◆ Benefits

- Create opportunities for displaced employees, reduce severance costs by providing new employment opportunities and deepen partnerships with local communities



Savannah River

◆ Objectives

- Reduce the community's economic dependence on the DOE
- Mitigate work force restructuring necessary to achieve needed skills mix

◆ Strategies

- Support local economic development
- Transfer and reuse excess property and facilities
- Manage employee transition

◆ Benefits

- Create opportunities for displaced employees, reduce severance costs by providing new employment opportunities and deepen partnerships with local communities



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Albuquerque Sites

Carlsbad, Kansas City, Los Alamos, Pantex and Sandia

◆ Objectives

- Reduce communities' economic dependence on the DOE
- Assist Defense Programs to implement recommendations of Chiles Commission to assure recruitment and retention of critical skills

◆ Strategies

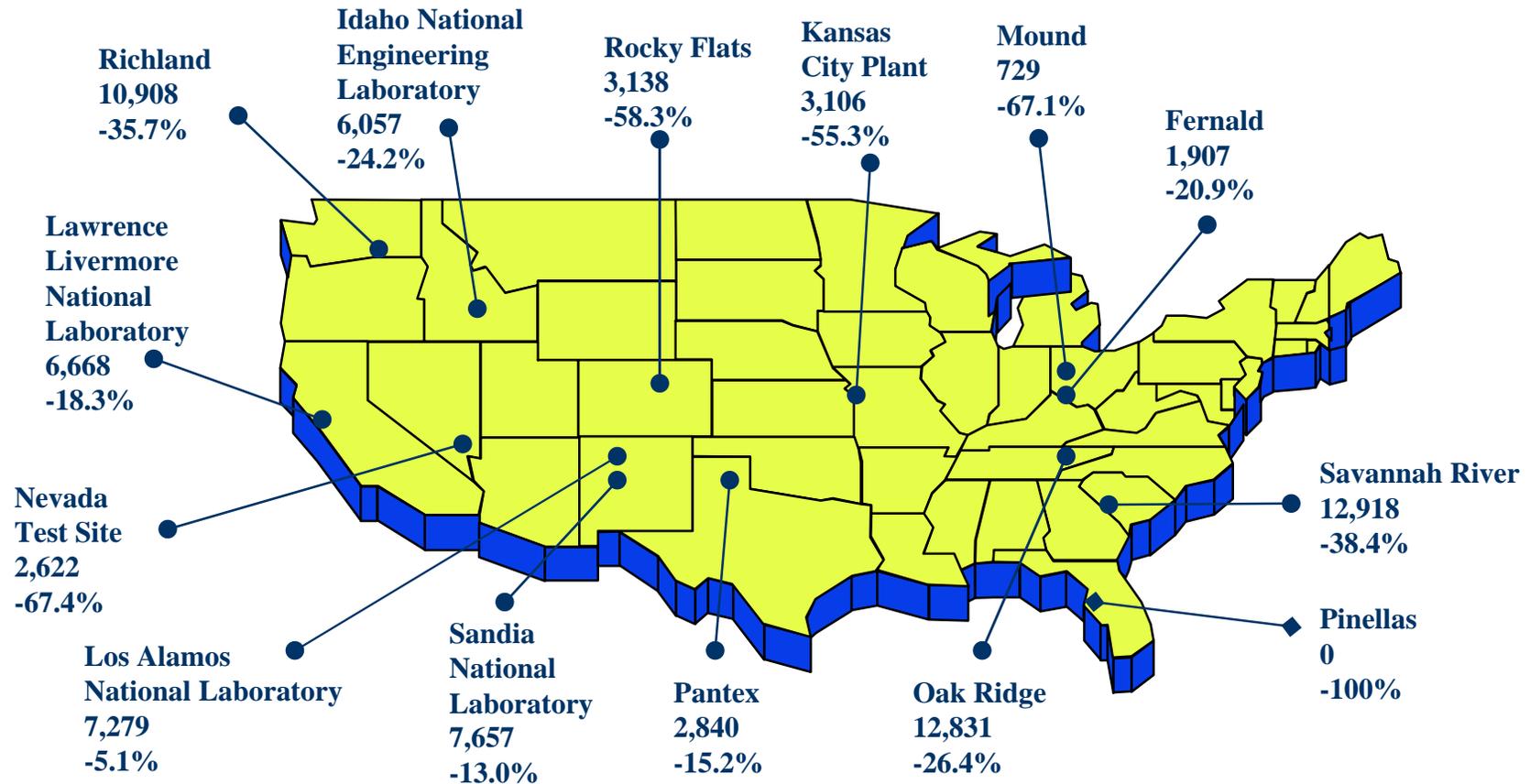
- Support local economic development
- Transfer and reuse excess property and facilities

◆ Benefits

- Create opportunities for displaced employees, reduce severance costs by providing new employment opportunities and deepen partnerships with local communities
- Assure strategic stockpile mission requirements are met



Office of Worker and Community Transition Reduction in Prime Contractor Employment from Peak Employment Since 1988

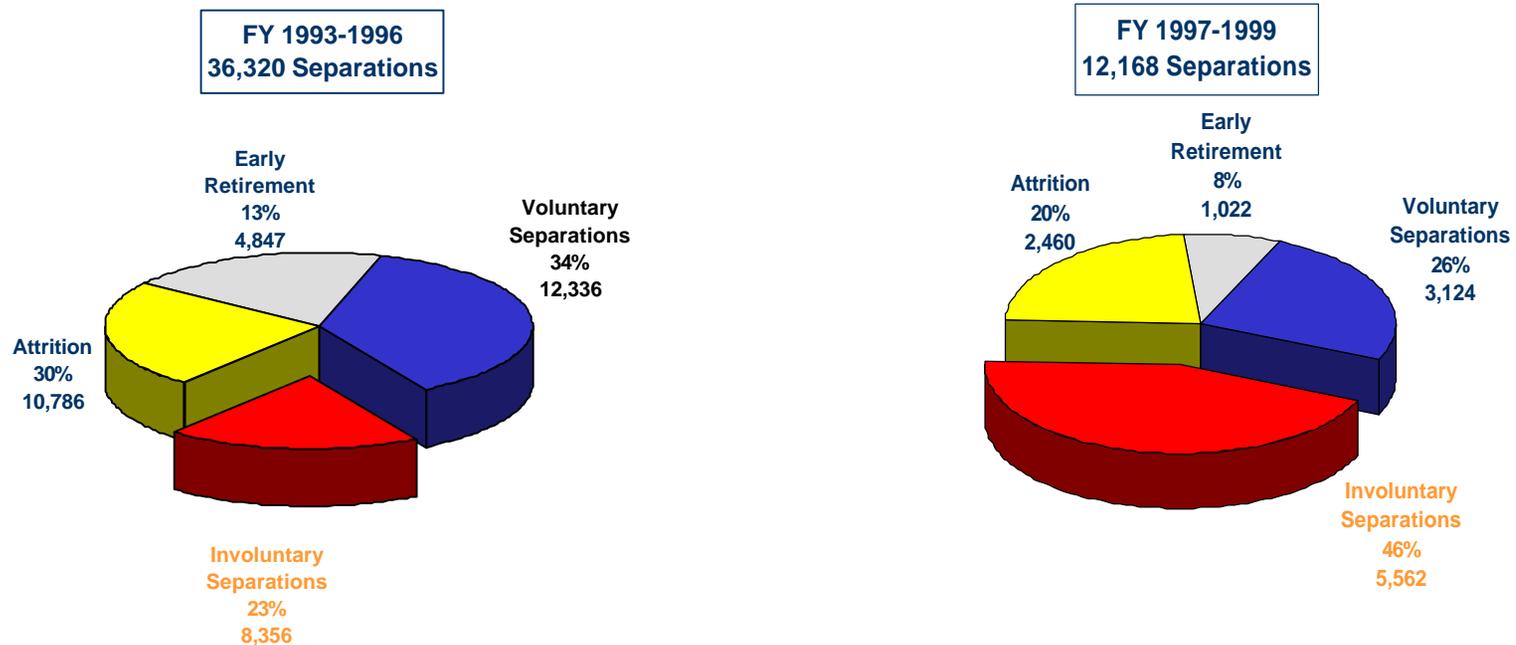


NOTE: Numbers reflect end of FY 1999 headcount



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Department of Energy Prime Contractor Separations





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**Department of Energy
Management Contractor Team Employment at Selected Sites
(End of Fiscal Year Head Counts)**

SITE	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Richland	11,449	11,683	12,730	14,127	15,107	16,062	16,952	13,757	12,099	11,330	10,984	10,908
Idaho	5,773	6,510	7,548	7,988	7,901	7,810	7,524	6,084	5,739	5,868	5,743	6,057
Livermore	8,007	8,042	8,042	8,158	7,981	8,014	7,321	7,372	6,688	6,403	6,608	6,668
Nevada	8,035	7,996	7,713	7,390	6,670	5,548	5,068	3,940	2,765	2,345	2,515	2,622
Sandia	8,372	8,432	8,705	8,804	8,473	8,477	8,458	8,527	8,057	7,576	7,501	7,657
Los Alamos	7,442	7,667	7,402	6,992	7,203	7,293	7,024	6,708	6,439	6,687	7,009	7,279
WIPP	375	506	603	714	775	799	735	640	636	636	613	625
Rocky Flats	5,275	5,312	6,415	7,521	7,302	7,505	6,698	4,418	3,535	3,410	3,166	3,138
Kansas City	6,946	6,829	6,414	5,497	4,489	4,170	3,289	3,563	3,661	3,679	3,256	3,106
Pantex	2,627	2,573	2,390	2,492	2,673	3,020	3,230	3,348	3,327	2,920	2,856	2,840
Mound	2,219	2,150	2,149	2,150	1,741	1,713	1,337	1,122	924	740	708	729
Fernald	1,509	1,122	1,128	1,203	1,489	2,412	2,385	2,203	1,986	1,989	1,977	1,907
Savannah River	10,629	16,403	17,663	20,185	20,979	19,788	18,922	15,430	14,379	13,231	13,082	12,918
Oak Ridge	15,651	15,965	15,934	17,200	17,257	17,437	17,215	16,580	15,815	14,046	13,573	12,831
Pinellas	1,710	1,698	1,667	1,618	1,569	1,100	1,007	669	538	5	0	0
SUBTOTAL	96,019	102,888	106,503	112,039	111,609	111,148	107,165	94,361	86,588	80,865	79,591	79,285
Other Sites	31,012	29,277	34,086	33,574	37,077	30,436	28,932	27,500	25,401	24,432	23,420	23,398
GRAND TOTAL	127,031	132,165	140,589	145,613	148,686	141,584	136,097	121,861	111,989	105,297	103,011	102,683



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Community Transition Funding and Accomplishments

Fiscal Years 1993-1999

Site	Total DOE Funds Committed	Jobs Created or Retained (Reported)	Cost Per Job Created	Jobs Created or Retained By 2003 (Est.)
Fernald	\$412,100	0	\$0	0
Idaho	\$23,675,000	3,041	\$5,640	7,240
Los Alamos	\$10,933,399	395	\$10,606	2,672
Mound	\$19,700,000	320	\$33,380	594
Nevada	\$14,588,880	1,692	\$6,933	3,183
Oak Ridge	\$53,252,000	4,331	\$10,898	6,413
Paducah	\$400,000	0	\$0	0
Pinellas	\$18,067,300	2,562	\$7,039	2,954
Portsmouth	\$7,000,000	375	\$14,068	819
Richland	\$24,263,742	1,888	\$9,384	4,450
Rocky Flats	\$31,693,315	1,825	\$16,892	3,343
Savannah River	\$47,622,625	6,007	\$6,360	10,482
Totals	\$251,608,361	22,436	\$8,990	42,150



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Funding for Worker and Community Transition Program

